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Sen. Van Woerkom proposes elimination of onerous jobs tax

LANSING — Sen. Gerald Van Woerkom, R-Norton Shores, today introduced legislation that would eliminate the state's jobs tax and replace it with a business tax that doesn't hamper job creation in Michigan.

"It's time to get rid of this jobs-killing tax," Van Woerkom said. "No other state has a tax like this and neither should Michigan. Most other states have prospered in recent years while Michigan remains mired in some of the worst unemployment and job-creation rates."

Van Woerkom's legislation would eliminate the tax beginning Oct. 1, 2007, and have the governor's Council of Economic Advisors create a plan to replace the state revenue affected by the elimination of the Single Business Tax. The bill also would mandate that the new revenue could not come from increases in the state's income or sales tax, or any other tax paid by individuals. The replacement revenue would have to come from another type of business tax.

The uniquely burdensome jobs tax even has drawn the scorn of the internationally read newspaper, The Wall Street Journal, whose editorial page wrote in December:

"How many more Michigan companies have to file for Chapter 11 or flee the state before the politicians in Lansing get serious about a growth agenda? Step one should be to speed up the elimination of the state's single business tax. ... Michigan has the fifth highest business tax burden in the country, and it is the only state to levy a tax on business production."

"Our state has some of the best workers and business leaders in the world," Van Woerkom said. "We have to remove the one-of-a-kind shackles that the jobs tax puts on them and makes our state unattractive to new investment and economic growth."

Senate Bill 1170 was referred to the Senate Finance Committee for consideration.

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